



December 16, 1994

Tom Howard, Bay-Delta Division Chief
 State Water Resources Control Board
 901 P Street
 Sacramento, California 95814

Palma Risler
 U. S. Environmental Protection Agency
 75 Hawthorne, MS W-2-4
 San Francisco, California 94105

Dear Mr. Howard and Ms. Risler:

On October 7, 1994, the Association of California Water Agencies transmitted to your agencies a report entitled, "Impact of Bay-Delta Water Quality Standards on California's Electric Utility Costs," which analyzed the impact of proposed Bay-Delta Standards on hydroelectric generating capacity within California.

To our knowledge, this was the only comprehensive analysis of these impacts, and we believe this will be a valuable tool in adopting a regulatory program for the San Francisco Bay-Delta Estuary. However, there has been some concern expressed regarding the two assumptions stated on page 1 of appendix H of the report.

Some have interpreted these assumptions, dealing with San Joaquin water rights holders, as indicating that there is some obligation on the part of the senior water rights holders to contribute water to meet Bay-Delta standards. The assumptions are only used to illustrate that dry year flow requirements imposed by proposed standards on the San Joaquin River would drain New Melones Reservoir and therefore could not be met without substantial contributions of water from other San Joaquin tributaries, which would not only seriously impact the water supplies along those rivers, but would significantly disrupt power generation in those areas.

ACWA believes that any required contribution of water by any water rights holder must be in accordance with California's water law. Our assumptions were not intended to prejudge the outcome of those determinations.

ACWA's mission is to assist its members in promoting the development, management and reasonable beneficial use of good quality water at the lowest practical cost in an environmentally balanced manner.

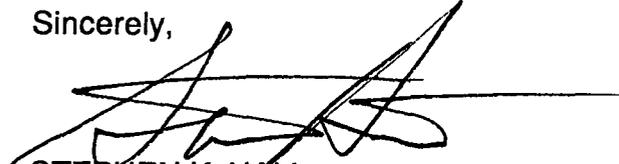
**Association of California
 Water Agencies**
 910 K Street, Suite 250
 Sacramento, California
 95814-3577
 916/441-4545
 FAX 916/441-7893

Hall of the States
 444 N. Capitol St., N.W.
 Suite 326 North
 Washington, D.C.
 20001-1512
 202/434-4760
 FAX 202/434-4763

Tom Howard, SWRCB
Palma Risler, U. S. EPA
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We are pleased that we have been able to provide our analysis to the regulatory agencies and trust this letter will clarify any uncertainty that may exist regarding our assumptions.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. K. Hall', written over a horizontal line.

STEPHEN K. HALL
Executive Director

SKH:alr